

Conclusions

- 1) Income funds have done quite well both in terms of cash dividends and in growth. Growth has been from 9 to $13\frac{1}{2}$ percent compounded annually over last 10 yrs.
- 2) I think we should offer our people one or more income funds although performance

6) If investor wants Income

| | ^{above aver in '66} | ^{Cash Dividends} | | <u>Growth</u> |
|---|----------------------------------|-------------------------------|---------------------------------|---------------|
| 8.5 Income Fund Boston | | \$7316 | Group 6 Income Fund | \$25,488 |
| 7.5 Putman (below aver 66-67) | | 7245 | " (equivalent 13 1/2% int) | \$37,936 |
| 8.75 Franklin Inc below aver 65, 66, 67 | | 7093 | " | \$27,549 |
| 0 Northeast ^{above aver in 1966 only} | | 7068 | " | \$26,543 |
| 8.5 Nat Sec Div (below aver 65, 66, 67) | | 7016 | " (equivalent 11 1/2% compound) | \$31,073 |
| 8.75 Value Line Inc. ^{above aver 64, 65, 66} | | 6912 | " | \$31,977 |
| 8.5 Decatur ^{below average 66-67} | | 6803 | " (equivalent 13% comp Int) | \$36,046 |
| 8.3 Keystone B-4 ^{above aver 64-66} | | 6709 | (Bond Pfd Stock Group 7) | \$19,366 |
| 8.3 Keystone K-1 | | 6427 | | \$23,475 |
| 8.5 Putnam Income (below aver last 5 yrs) | | 6400 | (equivalent 9% compounded Int) | \$24,356 |

7) The So called Balanced Funds (Group 5-9is, 51GS Groups 5-519, have performed so poorly in terms of growth That only 1 (Air Hough A) has excceded the average growth of all funds (\$33,414)

Further maximum int + growth of Balanced Group (5)

| | | |
|----------------------|--------|----------|
| Gen Inv. | \$5273 | 22764 |
| 0 Counselors | 5219 | 25079 |
| 8.5 Group F Adm | 5156 | 21736 |
| 8.5 Shareholders | 5125 | \$28155 |
| 8.5 Channing Balanc. | 5011 | 28363 |
| 8.75 Diversified Inv | 4912 | \$24226 |
| 8.8% Investors Mvt | 4730 | \$21,385 |

Conclusion: Balanced Funds have performed poorly both on income and growth.

| | <u>Load</u> | <u>Cat</u> | <u>Invest</u> <u>Obj</u> | <u>Assets</u> | <u>1968</u> |
|--------------------|-------------|------------|-----------------------------|---------------|-------------|
| American Investors | 0 | 1-dcs | G | 313 | |
| New Horizons | 0 | 1-sd | G | 151 | |
| Scudder Spl | 0 | 1-sd | G | 176 | |
| First Multifund | 1.5 | 1-spl | G | 3.1 | |
| Keystone S-4 | 8.3 | 1-sd | G | 635 | |
| Axe-H Stock | 8.5 | 1-dcs | G-S | 88 | |
| Channing Spl | 8.5 | 1-sd | G | 99 | |
| Colonial Equities | 8.5 | 1-sd | G | 147 | |
| Fairfield | 8.5 | 1-sd | G | 84 | |
| Revere | 8.5 | 1-sd | G | 13 | |
| Winfield | 8.5 | 1-sd | G | 208 | |
| Knickerb Gr. | 8.7 | 1-sd | G | 12 | |
| Morton Growth | 8.75 | 1-sd | G | 62 | |
| Value Line Spl | 8.75 | 1-sd | G | 275 | |
| Enterprise | 8.5 | 1-sd | G | 800 | |
| Newirth | 0 | 1-sd | G | 12 | |
| Mates Investment | | | | | |

| | | | | |
|--------------------------|------|-----|------|--------|
| Puritan | | 995 | 7243 | 37936 |
| Decatur | 6-fd | 775 | 5969 | 36046 |
| Inc Fund Boston | | | 7314 | 25478 |
| Value Line Inc. | | | 6912 | 31,977 |
| North-east Providence | | | 7068 | 26548 |
| Franklin | | | 7093 | 27549 |

Income Funds

Only Northeast, Counselors & Pine Street (as no load funds) have turned in a respectable performance for 10 yrs, 5 yr or yield as of 9/30/68.

Only 9 funds out of 296 had yield over 4%. Only 4 funds had yield over 5% (Keystone B-4, Northeast, Keystone B-2, Investors Sel)

I conclude

- At best performance of "income" mutual funds is Lousy. For most part one would do better with Savings & Loan, Credit Union - even Govt bonds!
- Load funds for income for relatively short term of years are for birds - can't amortize cost even if performance appears to have been better
- The best no load income funds have been
Northeast* (Group 6 - Income Fund)
Counselors (Group 5 Income Growth Stability)
Pine ST (Group 4 flexibly diversified Income Growth)
- The Best load income funds have been

Investors Sel

Inc. Fd Boston

Putnam

Morton Income
Perm Square

Valentine Inc